



Sri S. K. Birla
Chairman Emeritus

Board of Directors

Sri Sidharth Birla
Chairman

Sri Bharat Anand

Ms. Meenakshi Birla

Sri G. Momen

Sri A. C. Mukherji

Sri S. Ragothaman

Sri C. L. Rath

Sri Kishor Shah (wef 08.05.2017)

Sri C. Bhaskar

Managing Director & Chief Executive Officer

Company Secretary

Sri Jatin Jain

Senior Executives

Sri Arvind Kumar Upadhyay
President & Chief Operating Officer

Sri P. K. Das
Executive Vice President (Exports)

Sri G. K. Sureka
Executive Vice President (Legal)

Sri Satish Shah
Vice President & Chief Financial Officer

Sri Ajay Agarwal
Vice President (Materials & Administration)

Sri R. K. Mathur
Vice President (Sales & Marketing)

Registered Office & Mills

Aerodrome Road,
Jamnagar 361 006, Gujarat

Tel.: +91-288-2712972/3

Fax: +91-288-2712991

e-mail: cosec@digjam.co.in

website: www.digjam.co.in

Corporate Identity Number

L17123GJ2015PLC083569

Registrars & Share Transfer Agents

MCS Share Transfer Agent Ltd.

12/1/5, Manoharpukur Road,

Kolkata 700 026

Auditors

M/s Deloitte Haskins & Sells LLP

19th Floor, Shapath - V,

S. G. Highway,

Ahmedabad 380 015

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Second Annual General Meeting of the Members of the Company will be held on Friday, September 22, 2017 at 10.00 a.m. at the Registered Office of the Company at Aerodrome Road, Jamnagar 361 006 (Gujarat), to transact the following business:

1. To consider and adopt the Directors' Report and the audited Financial Statements of the Company for the financial year ended March 31, 2017 and the Auditors Report thereon.

2. Sri C.L. Rathie retires by rotation from the office of Director of the Company and though eligible, is not seeking re-election and as such, to consider and if thought fit, to pass the following Resolution as an Ordinary Resolution: -

"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the vacancy caused at this meeting due to retirement by rotation of the Director Sri C.L. Rathie be not filled up."

3. To ratify the appointment of Auditors of the Company made at the First Annual General Meeting of the Company for a term of five years and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED that the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No. 117366WW-100018), Ahmedabad as the Statutory Auditors of the Company at the First Annual General Meeting of the Company be and is hereby ratified and confirmed for the term from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors in consultation with M/s Deloitte Haskins & Sells LLP."

Special Business

To consider and if thought fit, to pass with or without modification, the following Resolutions:

4. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Sri Kishor Shah** (DIN: 00170502), who was appointed as an Additional Director of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office until the conclusion of the Annual General Meeting to be held in 2022."

5. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to Section 148 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act read with the relevant Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the payment of remuneration of Rs. 1,00,000/- (Rupees One Lac only) plus applicable taxes and reimbursement of out of pocket expenses to M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad (Firm Registration

No. 28) appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending on March 31, 2018."

6. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules prescribed thereunder, a member who requests for delivery of any document through a particular mode, may be charged a fee of Rs. 100/- (Rupees One Hundred Only) per such document, over and above reimbursement of actual expenses incurred by the Company, provided such request alongwith the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to give effect to the above resolution."

The Register of Members of the Company will remain closed from September 15, 2017 to September 22, 2017 (both days inclusive).

New Delhi
May 8, 2017

BY ORDER OF THE BOARD

Jatin Jain
Company Secretary
Registered Office:
Aerodrome Road,
Jamnagar 361 006
(Gujarat)
CIN: L17123GJ2015PLC083569
e-mail: cosec@digjam.co.in
Tel.: +91-288-2712972/3
Fax: +91-288-2712991
website: www.digjam.co.in

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.
2. The instrument appointing a proxy has to be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. For any further information regarding the above Accounts, advance intimation be given and the Members should ensure that it reaches the Company's Registered Office at Aerodrome Road, Jamnagar 361 006 (Gujarat) at least 10 days before the date of the ensuing meeting.
4. The practice of distributing discount coupons has been discontinued in view of uncertainty regarding applicability of GST thereon.
5. Under the Companies Act, 2013 ('the Act') and the Rules thereunder, the Company is permitted to serve on the Members documents including Annual Report and notices through, inter alia, the electronic mode. The Company may send to the Members the Annual Report and other documents/communications either physically to their registered address or by e-mail at the e-mail addresses registered with the Company/received through the respective Depository.

6. Pursuant to the Scheme of Amalgamation of erstwhile Digjam Limited with the Company which became effective on March 17, 2016, the Company had allotted Equity Shares to the Shareholders of erstwhile Digjam Limited on April 29, 2016 in the ratio of 1:1 to the shareholders of erstwhile Digjam Limited holding shares on the Record Date, March 31, 2016. The Share Certificates had been despatched to the shareholders holding shares in physical form as well as credited the shares to the demat accounts of the shareholders holding shares in demat form.
7. **Pursuant to the Green Initiative of the Ministry of Corporate Affairs, request to register e-mail addresses, changes therein and in the registered addresses including PIN CODE: Members holding shares in physical form are requested to register/update their e-mail addresses/registered addresses with the Company's Registrars and Share Transfer Agents, M/s MCS Share Transfer Agent Ltd., 12/1/5, Manoharpukur Road, Kolkata 700 026. Members holding shares in dematerialised form are requested to register their e-mail addresses, changes therein and in their registered addresses with the concerned Depository through their Depository Participant. In absence of e-mail address, the documents will be sent in physical mode.**
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrars and Share Transfer Agents.
9. Members may note that the Notice of the 2nd Annual General Meeting and the Annual Report for the year 2016-17 will also be available on the Company's website www.digjam.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days upto and including the date of the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
10. **Voting through electronic means**
 - I. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the 2nd Annual General Meeting (AGM) by remote e-voting. The business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

The facility for voting either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 2nd AGM and the Members attending the same shall be able to exercise their voting rights accordingly at the AGM provided they have not already cast their vote through remote e-voting. Such Members who have already voted through remote e-voting may attend the AGM but shall not be entitled to vote again thereat.

- II. **The e-voting period commences on Tuesday, September 19, 2017 (9.00 a.m.) and ends on Thursday, September 21, 2017 (5.00 p.m.), both days inclusive. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 15, 2017, may cast their vote electronically.**

The e-voting module shall be disabled by CDSL for voting thereafter.

- a. The shareholder should log on to the e-voting website www.evotingindia.com
- b. Click on "Shareholders/Members".
- c. Now, Enter your User ID:
 - i. For CDSL: 16 digits beneficiary ID;
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f. However, if you are a first time user, please follow the steps given below.

For Members holding shares in Demat / Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>*Members who have not updated their PAN with the Company/Depository Participant are requested to enter in the PAN field the Sequence Number (SQ) consisting of total 10 characters printed on the address label (for e.g. RA00073142). In case you have received this communication through email, the Sequence Number (SQ) is furnished therein next to your DP ID/Client ID/ Folio no.</p> <p>Any person having become a shareholder after the dispatch of AGM notice would invariably have their updated PAN with the Company/Depository in which case the Sequence Number is not required.</p>
Dividend Bank Details OR Date of Birth (DOB)#	<p>Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login.</p> <p># If both the details are not recorded with the Depository or Company, please enter the member id/folio number in the Dividend Bank Details field as mentioned in instruction (c) above.</p>

- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the relevant Company for which you choose to vote i.e. DIGJAM LIMITED.
- k. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- m. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take a print of the vote cast by clicking on "Click here to print" option on the Voting page.
- p. If a Demat account holder has forgotten the changed login password then enter the User ID and image verification Code and click on Forgot Password & enter the details as prompted by the system.
- q. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Stores respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- r. Note for Non-Individual Shareholders and Custodians

□ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

□ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- s. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. You can also contact the helpdesk on the toll free number: 1800-200-5533.

- III. The voting rights of shareholders shall be in proportion to the paid-up value of their holding of equity shares/preference shares with voting rights of the Company as on the cut-off date of September 15, 2017.
- IV. The Practising Company Secretary, Sri Viral Sanghavi, Prop. Viral Sanghavi & Associates, (Membership No. 24951 & CP No. 9035) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same and thereafter, the Chairman or the person so authorised shall declare the Results of the voting forthwith.

This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL and communicated to NSE and BSE immediately.

11. **EXPLANATORY STATEMENT** pursuant to Section 102 of the Companies Act, 2013 ('the Act')/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2013:

Item No. 3: Pursuant to Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, the Company had at its 1st Annual General Meeting appointed M/s Deloitte Haskins & Sells LLP (Registration No. 117366W/W-100018), Ahmedabad as its Statutory Auditors for five years commencing from the aforesaid Annual General Meeting. The said Section also provides for ratification of such appointment by Members at every Annual General Meeting. Accordingly, a Resolution is being proposed and is recommended for your approval.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the said Resolution.

Item No. 4: Sri Kishor Shah aged 60 years, is a Commerce Graduate as well as Associate Member of the Institute of Chartered

Accountants of India, the Institute of Company Secretaries of India and Chartered Institute of Management Accountants (UK). He has vast experience in the fields of finance and capital markets and had held senior positions in various leading companies including Bata India Limited, Shaw Wallace & Co. Limited, Assambrook Limited. Sri Kishor Shah is a Director on the Boards of SMIFS Capital Services Limited and Bengal Aerotropolis Projects Limited. He is also presently the Managing Director of SMIFS Capital Markets Limited, a SEBI registered category I Merchant Banker.

Sri Kishor Shah does not hold any Equity Share in the Company.

Sri Shah was appointed as an (Independent) Additional Director of the Company pursuant to Article 113 of the Articles of Association of the Company with effect from May 8, 2017. As provided therein and under Section 161 of the Act, Sri Shah holds office as Director only upto the date of the forthcoming Annual General Meeting of the Company. In terms of Section 149 and any other applicable provisions of the Act, Sri Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company to hold office until the conclusion of the Annual General Meeting to be held in 2022. A notice under Section 160 of the Act has been received from a member proposing Sri Shah as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri Shah fulfils the conditions specified in the Act and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Considering his vast knowledge and experience and that his association would be of immense benefit to the Company, it is desirable to avail services of Sri Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Shah as an Independent Director, for the approval by the Members of the Company.

Copy of the letter for appointment of Sri Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Except for Sri Kishor Shah, being the appointee and his relatives to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Resolution.

Item No. 5: The Board of Directors on the recommendation of the Audit Committee has appointed M/s N.D. Birla & Co., Cost Accountants, as the Cost Auditors for audit of cost accounting

records of the Company for the financial year 2017-18 at a remuneration of Rs. 1,00,000/- (Rupees One Lac only) besides applicable service tax and reimbursement of out of pocket expenses. In terms of the provisions of Section 148(3) of the Act read with Companies (Audit and Auditors) Rules, 2014, the Members are required to ratify the remuneration payable to the Cost Auditors and accordingly, the consent of the Members of the Company is solicited for the remuneration as set out in the Resolution in Item no. 5 which is accordingly commended for approval by the Board of Directors.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the said Resolution.

Item No. 6: As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering to his/her office or address, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the approval of the Members of the Company is solicited for the Resolution set out in Item no. 6.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the said Resolution.

Inspection of Documents

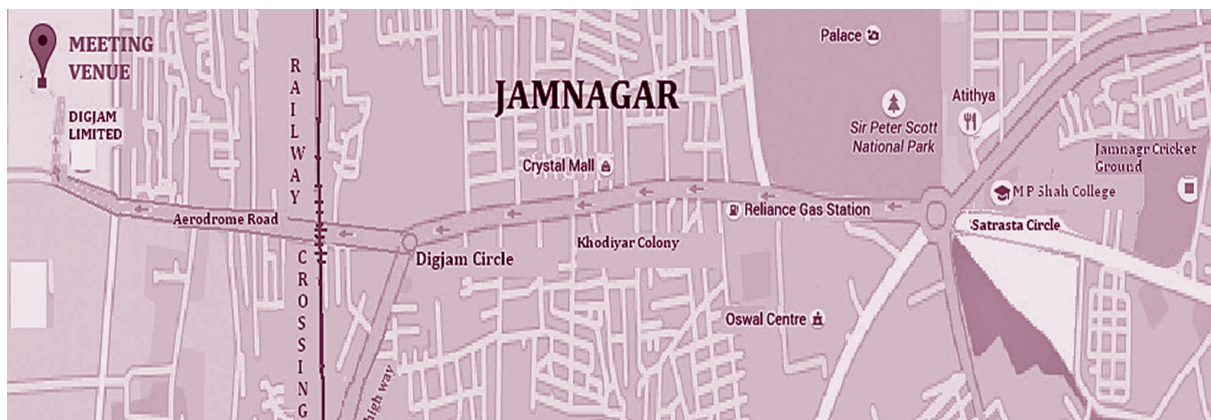
All the documents referred to in the notice and explanatory statement including the Memorandum and Articles of Association of the Company are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day prior to the date of the Annual General Meeting.

New Delhi
May 8, 2017

BY ORDER OF THE BOARD

Registered Office:
Aerodrome Road,
Jamnagar 361 006
(Gujarat)
CIN: L17123GJ2015PLC083569

Jatin Jain
Company Secretary
e-mail: cosec@digjam.co.in
Tel.: +91-288-2712972/3
Fax: +91-288-2712991
website: www.digjam.co.in



REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We present herewith our Annual Report along with the Audited Accounts of the Company for the year ended March 31, 2017. The corresponding previous period was from June 17, 2015 (date of Incorporation) to March 31, 2016 and hence, the results are not comparable.

FINANCIAL RESULTS

	(Rs. Lacs)	
	March 31, 2017	March 31, 2016
Operations for the year/period resulted in (Loss)/Profit before Interest and Depreciation of	(475.03)	90.42
less: Finance Costs	1,331.89	859.26
less: Depreciation	283.16	217.18
less: Exceptional items	106.29	—
(Loss)/Profit Before Tax	(2,196.37)	(986.02)
less: Taxation	—	—
(Loss)/Profit After Tax	(2,196.37)	(986.02)
Balance brought forward	(986.02)	—
Leaving a Balance of which is carried forward	(3,182.39)	(986.02)

The Directors do not recommend any dividend.

REVIEW OF KEY BUSINESS MATTERS

The financial year 2016-17 was marked by uncertainties around the globe. Recovery in developed economies remained weak on poor sentiment arising from the US Presidential elections, the Brexit vote, the oil production cuts & price corrections and the extreme geopolitical tensions in various parts of the world. In India, prospects looked up with a much awaited good monsoon driving the agrarian economy. The decision to demonetize high denomination notes curbed cash-intensive economic activity restricting temporarily liquidity and consumption across the economy, but the impact was short lived and signalled a change in regime. The steps towards implementation of the long-awaited GST and government initiatives should improve investment and business growth prospects with the revival of customer confidence.

The markets for the Company's products also suffered from stagnant demand and competitive pressures from synthetic and blended fabrics and cheaper supplies from China influencing customer preferences. A marked shift to ready-mades and the move away from formal wear is also impacting overall superior fabric demand globally. Domestic sales in winter (also a major wedding/festival season), historically the strongest period for woollen/worsted fabric sales, were severely hit as a result of consumer uncertainty and lack of cash following unprecedented circumstances from November 2016, though it is reasonable to consider that this was an extraordinary event that could not have been foreseen. Nevertheless, it is safe to say that the strongest season for the Company was a washout during this year. Exports also continued to drag following global uncertainties.

All in all, the Company achieved significantly lower than expected sales volume at 28.02 lac metres (previous year annualised: 35.2 lac metres) translating into operational revenue of Rs. 99.39 Crores (previous year: Rs. 94.73 crores; annualised: Rs. 126.3 Crores). The possibilities of monetising surplus assets of the company to help ease the liquidity crunch are being evaluated. The Company continues to expend considerable management energy on marketing, improving operations and managing liquidity.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The tenure of Independent Directors, Sri A.C. Mukherji and Sri G. Momen, comes to an end at the forthcoming Annual General Meeting.

Sri C.L. Rathi retires by rotation and though eligible, is not seeking re-election due to personal reasons. The Board places on record its sincere and deep appreciation of the valuable guidance and services rendered by Sri A. C. Mukherji, Sri G. Momen and Sri C. L. Rathi during their respective long tenures on the Board of erstwhile Digjam Limited and of the Company.

In accordance with the recommendations of the Remuneration & Nominations Committee, the Board has appointed Sri Kishor Shah as (Independent) Additional Director with effect from May 8, 2017. Sri Kishor Shah has declared that he meets the criteria of independence as per Section 149(6) of the Companies Act, 2013 ('the Act'). In terms of Article 113 of the Articles of Association of the Company read with Section 161 of the Act, Sri Shah will hold office up to the date of the forthcoming Annual General Meeting; the Company has received notice u/s 160(2) of the Act proposing his appointment as Director along with requisite deposit.

During the year, four Board Meetings were held as per the details in the annexed Corporate Governance Report.

The marketing team was restructured and strengthened during the year to meet with the increasing challenges of domestic and global competition, with dynamic strategies backed by team reliability geared towards our renewed commitment to the Customer. Strengthening of key operating teams also continues as an on-going process.

SHARE CAPITAL

As reported earlier, upon amalgamation of erstwhile Digjam Limited with the Company under the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Gujarat, 8,76,41,621 fully paid up Equity Shares of the face value of Rs. 10/- each at a premium of Rs. 5/- per Share and 5,00,000 – 8% Non-Convertible Redeemable Preference Shares of Rs. 100/- each at par were allotted on April 29, 2016 in the ratio one share for every one share held in erstwhile Digjam Limited. The Equity Shares of the Company were subsequently listed on July 13, 2016. By operation of the 2nd Proviso to sub-section (2) of Section 47 of the Act, 5,00,000 – 8% Non-Convertible Redeemable Preference Shares of Rs. 100/- each acquired 50,00,000 Voting Rights on March 27, 2017. The said Preference Shares are held by one of the Promoter Group companies and were allotted by erstwhile Digjam Limited on March 27, 2015.

STATUTORY INFORMATION AND OTHER MATTERS

Information as per the requirements of the Act, our report on Corporate Governance alongwith the Auditors' Certificate on Compliance and the Managements' Discussion & Analysis Report form part of this report and are annexed hereto.

The extract of the Annual Return in Form MGT-9 is attached herewith.

The Board has, on the recommendation of the Remuneration & Nominations Committee, framed a Policy for appointment and remuneration of Directors and Senior Managerial Personnel as well as criteria for determining independence and other relevant matters (policy and criteria annexed herewith). Pursuant to the provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board carried out annual evaluation of its performance, and of individual Directors (including independent) as well as the evaluation of its Audit, Remuneration and Nominations, and Stakeholders Relationship Committees. The concerned Director did not participate in the meeting while being evaluated. A questionnaire was circulated to all the Directors. The Remuneration and Nominations Committee also evaluated the performance of every Director. The evaluation of the Chairman of the Board and the non-independent Directors was also carried out at the separate meeting of the Independent Directors.

The information on Conservation of Energy, Technology absorption, foreign exchange earnings and outgo is annexed hereto.

The Company has in place a system of periodical review of business risks. The Audit Committee and the Board are informed about the risks identified, assessment thereof and minimization procedures and identification of elements of risks which in the opinion of the Board may threaten existence of the Company.

The Company has an internal control system commensurate with its size of operations. The internal audit function is carried out by an external agency which reports to the Chairman of the Audit Committee. During the course of internal audit, the efficacy and adequacy of internal control systems of the Company is also evaluated. Based on the reports, corrective actions are taken and the controls strengthened.

The Company has no subsidiary, joint venture or associate company. The Company has not invited/accepted any Fixed Deposits under Chapter V of the Act and there are none outstanding on March 31, 2017. The Company has not granted any loan or issued any guarantee or made any investment to which the provisions of Section 186 of the Act apply.

All transactions with related parties during the year were in the ordinary course of business on an arm's length basis. There are no such material transactions entered into by the Company which may have a potential conflict of interest with that of the Company and to which Section 188(1) of the Act applies and thus, disclosure in Form AOC-2 is not required to be annexed. In accordance with the provisions of the Act and SEBI Listing Regulations, all Related Party Transactions are placed before the Audit Committee for approval or for omnibus approval as necessary. The statement of all such transactions entered into is placed before the said Committee for their review. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link: <http://digjam.co.in/pdf/RPTpolicy2.pdf>.

There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

The Audit Committee constituted by the Company meets the requirement of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations; details of its composition are furnished in the Corporate Governance Report. There was no instance during the year where the Board had not accepted any recommendation of the Audit Committee.

The Company has a vigil mechanism for Directors and employees to report genuine concerns in accordance with the Whistle Blower Policy; no employee is denied access to the Audit Committee in this regard. The said Policy provides for safeguards through Protected Disclosures against victimization of persons who use such mechanism, and is displayed on the Company's website. The details of the Whistle Blower Policy are also annexed herewith.

The Company has constituted a committee on Corporate Social Responsibility (CSR), the details of which are furnished in the Corporate Governance Report. While the statutory requirements on spending are not applicable to the Company in view of loss/inadequate profit, small steps have always been taken by the Company for social and inclusive development in its local area; however given the relatively small size and geographical spread, it has not been practical to yet undertake any significant projects beyond these. The CSR Policy of the Company is annexed herewith.

Information required pursuant to Section 197(12) of the Act read with Rule 5 (as amended) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed. However, in terms of Section 136 of the Act, the Annual Report is being sent to members of the Company excluding the information in respect of employees of the Company pursuant to Rule 5(2) of the aforesaid Rules and which will be furnished on request. The aforesaid statement is also available for inspection by shareholders at the Registered Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting.

The Company has set up a Committee to look into the complaints under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint relating to sexual harassment at work place has been received during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Managing Director & Chief Executive Officer and the Chief Financial Officer have certified the Financial Statements as per the requirements of Regulation 17(8) of the SEBI Listing Regulations which has been reviewed by the Audit Committee and taken on record by the Board. Having taken reasonable and bonafide care pursuant to Section 134(5) of the Act, the Directors indicate that (a) in the preparation of annual accounts, the applicable Accounting Standards had been followed alongwith proper explanations relating to material departures; (b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year; (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (d) the Directors have prepared the annual accounts on a going concern basis; (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS' OBSERVATIONS

The Statutory Auditors and Secretarial Auditors, have made no audit qualifications for the year under review.

AUDITORS

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, had been appointed as the Statutory Auditors of the Company at the First Annual General Meeting to hold office until the conclusion of the Sixth Annual General Meeting of the Company i.e. for a term of five years. As provided in Section 139 of the Act, the said appointment is being placed for ratification at the forthcoming Annual General Meeting.

The Company had appointed M/s N. D. Birla & Co., Cost Accountants, Ahmedabad, to audit the cost accounts of the Company for the year ended March 31, 2017 and the remuneration payable to them was approved by the Members at their 1st Annual General Meeting. Further, the Board has, on the recommendation of the Audit Committee, appointed the said Cost Accountants for audit of cost records of the Company for the year ending March 31, 2018. In terms of Section 148 (3) of the Act, the remuneration payable to them is required to be approved at the forthcoming Annual General Meeting.

Pursuant to the provisions of Section 204 of the Act, the Company had appointed Sri Viral Sanghavi (Proprietor: Viral Sanghavi & Associates), Practising Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is attached herewith.

ACKNOWLEDGEMENTS

We place on record our sincere appreciation of the valuable cooperation and support received at all times by the Company from its bankers, other stakeholders, concerned Government Departments, other authorities, its channel partners, employees and shareholders.

For and on behalf of the Board

New Delhi
May 8, 2017

Sidharth Birla
Chairman

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Board follows principles of good governance and emphasizes transparency, integrity and accountability. We believe that good governance is voluntary, self-disciplining with strongest impetus from Directors and the management itself. The management and organization at Digjam Limited endeavors to be progressive, competent and trustworthy, for customers and stakeholders, while reflecting and respecting the best of Indian values in its conduct.

THE BOARD OF DIRECTORS

The Board presently consists of 9 Directors, of whom 5 are independent and 4 are non-executive. Current regulations require that the Company should have at least one Woman Director and that, if the non-executive chairman is from the promoter group at least 50% of the Directors should be independent; these criteria are met. Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, administration and policy, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. Our Board has 5 independent Directors viz. Sri A. C. Mukherji (ex-CMD of New India Assurance Co.), Sri G. Momen (Businessman of repute), Sri S. Ragothaman (Company Director, formerly senior official at ICICI), Sri Bharat Anand (Advocate & Solicitor and partner of Khaitan & Co. LLP) as well as Sri Kishor Shah, who has been appointed as an (Independent) Additional Director with effect from May 8, 2017 after the close of the year.

Independent Directors are given a formal letter of appointment (copy available on Company's website) which, inter alia, explains their role, function, duties and responsibilities. The Company has drawn up a Familiarization Programme for Independent Directors with a view to familiarize them with the Company, their roles, rights and responsibilities in the Company, nature of industry in which the company operates, business model of the company etc. (weblink: <http://digjam.co.in/pdf/FamProgID2.pdf>). The Remuneration & Nominations Committee has laid down the criteria for performance evaluation of Independent Directors and such evaluation is to be done by the Board (excluding the Director being evaluated) and based on the evaluation, the Board determines the continuation/extension of the term. Performance evaluation of Non-Independent Directors and the Board as a whole and Chairman of the Company is also required to be done by the Independent Directors as per relevant regulations.

The position of the Chairman is non-executive, non-managerial in nature. The management of the Company is vested in executive director(s) appointed for the purpose, subject to the general supervision, control and direction of the Board. Sri C Bhaskar is the Managing Director & Chief Executive Officer accountable to the Board for actions and results and is the only executive director. Sri Sidharth Birla and Ms. Meenakshi Birla represent promoters and are related to each other; none of the other Directors are related to each other or to promoters. Sri C.L. Rathi is a non-executive (non-independent) director. The Board had conferred the title of Chairman Emeritus to Sri S.K. Birla, past Chairman of the Board of erstwhile Digjam Limited and he is invited to all Board Meetings. Details are given below by category, attendance, shareholding, fees and total Directorships besides Memberships and Chairmanships of Board Committees.

Director	Category*	Board attendance **	Attendance at last AGM	B/C/Ch+	Sitting Fees Paid Rs.	Shares held as on March 31, 2017
Sri Sidharth Birla	P	4/4	No	5/-	1,20,000	50,000
Sri Bharat Anand	I	3/4	No	1/1-	1,80,000	-
Ms. Meenakshi Birla	P	4/4	No	2/1-	1,80,000	324
Sri G. Momen	I	1/4	No	8/5/1	45,000	-
Sri A.C. Mukherji	I	3/4	No	3/4/1	1,50,000	116
Sri S. Ragothaman	I	3/4	No	9/6/3	1,70,000	723
Sri C.L. Rathi	NE	4/4	No	2/2/1	1,25,000	-
Sri Kishor Shah	I	-	-	3/2/-	-	-
Sri C. Bhaskar	E	4/4	Yes	5/3/1	-	2,100

* : P = Promoter, I = Independent, E = Executive, NE = Non-Executive.

** : For the period under review (attendance data relates to relevant meetings while a Director)

+ : B = Board Membership (public limited companies only), C/Ch = Membership/Chairmanship of SEBI specified Board Committees.

Appointment and remuneration of any Executive Director require approval of shareholders and such appointments are made for not more than five years and, when eligible, they can be re-appointed at the end of the term. Independent Directors, as required under the Companies Act, 2013 ('the Act'), are appointed for a term of upto 5 years in Annual General Meeting, and are eligible for re-appointment but cannot hold office for more than two consecutive terms (becoming eligible again after the expiry of three years from ceasing to be an independent director). 1/3rd of the other Directors retire every year and, when eligible, qualify for re-appointment. Nominee Directors, if any, are not considered independent and do not usually retire by rotation.

All specified details are provided in the notice for appointment or re-appointment of a Director.

RESPONSIBILITIES

The Board's principal focus is on strategic issues and approval, policy and control and delegation of powers and it has specified a schedule of major matters (covering those required under law or SEBI Code) that are reserved for its consideration and decision, including, inter alia, review of corporate performance, reporting to shareholders, approving annual budget including capital budget, monitoring the implementation and effectiveness of the governance practices, appointing key executives and monitoring their

remuneration, monitoring and managing potential conflicts of interest, ensuring integrity of Company's accounting and financial reporting system and that appropriate systems of control are in place, reviewing Board evaluation framework, setting up corporate cultural values and high ethical standard, treating all shareholders fairly and exercising objective independent judgment on corporate affairs.

The respective roles of the Board and the Management are clearly demarcated. The Management is required to (a) provide necessary inputs and basis to support the Board in its decision making process in respect of the Company's strategy, policies, performance targets and code of conduct (b) manage day-to-day affairs of the Company to best achieve targets and goals approved by the Board (c) implement all policies and the code of conduct, as approved by the Board (d) provide timely, accurate, substantive and material information, including on all financial matters and exceptions, if any, to the Board and/or its Committees (e) be responsible for ensuring strict and faithful compliance with all applicable laws and regulations and (f) implement sound, effective internal control systems and the Risk Management Procedure framed by the Board. The Board requires that the organization conducts business and develops relationships in an honest and responsible manner. To establish a policy framework to promote and adhere to the spirit, a Code of Conduct for all employees of the Company has been instituted and the Board has adopted a Business Code of Conduct for Directors and Senior Executives. In accordance with the requirements, the Board has laid down the Whistle Blower Policy and Policy for Prevention of Sexual Harassment at Work place. The Board has also laid down the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as well as the Code of Conduct to Regulate, Monitor and Report Trading by Employees & other Connected Persons under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The overall management of the Company is vested in the Managing Director, subject to general supervision, control and direction of the Board. Sri C. Bhaskar who was appointed with effect from March 18, 2016 as the Managing Director & Chief Executive Officer of the Company holds the qualifications of B. Tech (Chem.), PGDM (IIM-Cal) MIMA, FIPI and has about 38 years of consultancy and industrial experience. The day-to-day working of the plant at Jamnagar is looked after by experienced officers reporting to the President & Chief Operating Officer, who is responsible for the overall operations of the plant and reports to the Managing Director & Chief Executive Officer. The Vice President & Chief Financial Officer heads the finance function discharging the responsibility entrusted to him under regulations and by the Board. They are collectively entrusted with ensuring that all management functions are carried out effectively and professionally.

BOARD MEETINGS AND COMMITTEES

Board Meetings are held at varying locations and are usually scheduled in advance. The Board generally meets at least once a quarter to, *inter-alia*, review all relevant matters and approve the quarterly financial results. Independent Directors are required to meet at least once a year without the presence of non-independent directors and the management to, *inter alia*, discuss prescribed matters. The Board sometimes meets on an ad-hoc basis to receive presentations about and deliberate upon the strategic and operational plans of the management. The Agenda for meetings is prepared by the Company Secretary, in consultation with the Chairman and papers are circulated to all Directors in advance. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any relevant matter in the Agenda. Senior Officers are called to provide clarifications and make presentations whenever

required. The Board met 4 times on May 18, August 2, November 11, 2016 & February 8, 2017. To enable fuller attention to the affairs of the Company, the Board delegates specified matters to its committees, which also prepare groundwork for decision-making and reports to the Board. However, no matter is left to the final decision of any committee, which under law or the Articles may not be delegated by the Board or may require its explicit approval.

Independent Directors separately met on February 8, 2017 to, *inter alia*, discuss matters prescribed under Company Law and Regulation 25 of the SEBI Listing Regulations. The meeting was attended by Sri S. Ragothaman and Sri Bharat Anand while leave of absence was granted to Sri A.C. Mukherji and Sri G. Momen.

Audit Committee

The terms of reference of the Audit Committee, as specified by the Board in writing, include the whole of the matters specified in SEBI Listing Regulations and the Companies Act, including a review of audit procedures and techniques, financial reporting systems, reviewing and approving related party transactions and disclosure thereof, scrutiny of any loans & investments, reviewing the functioning of Whistle Blower mechanism, review of Management Discussion & Analysis Report, reviewing internal control systems and procedures, management letters/letters of internal control weakness from Auditors, Internal Audit Report related to internal control weaknesses besides ensuring compliance with regulatory guidelines. The majority of committee members are Independent Directors. The committee members collectively have requisite knowledge of finance, accounts and company law. The Committee recommends the appointment of CFO, external, internal, secretarial and cost auditors and their fees and other payments and also takes an overview of the financial reporting process to ensure that financial statements are correct, sufficient and credible. Any financial report of the Company can be placed in the public domain only after review by the Audit Committee. The reports of the statutory and internal auditors are regularly reviewed along with management's comments and action-taken reports. The committee has explicit authority to investigate any matter within its terms of reference and has full access to the information, resources and external professional advice which it needs to do so.

The Committee comprises Sri S. Ragothaman (Chairman), Sri A.C. Mukherji, Sri G. Momen, Sri Bharat Anand and Ms. Meenakshi Birla and is mandated to meet at least four times in a year; to assess the final audited accounts and to review each quarter, the quarterly results and the limited review report before they are put up to the Board. The Committee met 4 times on May 18, August 2, November 11, 2016 & February 8, 2017 during the year attended by Sri S. Ragothaman (3/4), Sri A.C. Mukherji (3/4), Sri G. Momen (1/4), Sri Bharat Anand (3/4) and Ms. Meenakshi Birla (4/4). Chairman of the Audit Committee could not attend the Annual General Meeting due to unavoidable circumstances. Sri Jatin Jain, Company Secretary, acts as the Secretary to the Committee.

Remuneration & Nominations Committee

The Remuneration & Nominations Committee (which discharges the functions of the Nomination & Remuneration Committee as envisaged under Section 178 of the Act) comprises of non-executive Directors, majority of whom are independent. The Committee helps ensure that non-executive Directors make decisions on the appointment, remuneration, assessment and progression of Executive Directors and senior officers; any compensation of non-executive Directors is a subject only for the whole Board. The Committee has devised a policy on Board diversity and when required, makes recommendations to the Board on filling up Board vacancies that may arise from time to time or on induction of